

# Vermont Child Care Affordability: What We Need to Do

## Advisory Board Recommendations

If Vermont is to meet the changing needs of its families and communities, child care needs to be viewed as an integral piece of Vermont's economic infrastructure with the same level of fiscal commitment as transportation, housing and education.

This is what needs to be done:

Action	Accountability
<b>1 Close the Gap for the Most Vulnerable</b>	
<b><i>Immediately bring into compliance the Vermont child care subsidy eligibility criteria from 1999 to the current federal poverty guidelines.</i></b>	By not adjusting its guidelines, Vermont is out of compliance with federal requirements for the Child Care and Development block grants.
<b><i>Annually adjust the Vermont child care eligibility criteria to the current federal poverty guidelines.</i></b>	Too many struggling families are deemed ineligible for a child care subsidy because Vermont continues to use outdated federal poverty guidelines. Making an automatic annual adjustment to the child care eligibility criteria to match current federal poverty guidelines is in alignment with other Vermont programs, and will provide a measure of reason and predictability for working families.
<b><i>Adjust the child care reimbursement rate to the 75th percentile of Vermont's market rates to comply with the federal standard.</i></b>	By setting and sustaining Vermont's eligibility criteria and child care reimbursement rates to current federal guidelines, CDD will support both families and providers in their struggle to survive and move towards self-sufficiency.
<b>2 Reduce Child Care Costs for All Vermont Families</b>	
<b><i>Adjust the child care reimbursement rate to the 75th percentile of Vermont's market rates.</i></b>	In an attempt to help the neediest families, many child care providers accept the state's below market rate subsidy payments. To make ends meet, this creates a cost shift where private pay families are paying more. The state's adjustment to reimburse child care payments at the 75th percentile will moderate this cost shift for all families.
<b><i>Expand VHAP and Catamount Health to include small businesses so every regulated child care provider and their employees are immediately eligible.</i></b>	Health care is the second largest expense item for child care providers, following only salaries. Reducing this major cost driver for the child care industry will help to moderate the escalating cost of child care for Vermont families.
<b><i>Enable the establishment of a mechanism such as a captive insurance entity to provide access to affordable business insurances, e.g., liability and property, for Vermont child care providers.</i></b>	Access to affordable business insurance will reduce a cost driver for the child care industry.

**Vermont wants more young families to remain here or move to our state. The child care affordability, accountability, and action steps shown here are essential to achieve this widely-accepted goal. The Child Care Advisory Board believes that the children of working parents should not be penalized because of the high cost of child care—the stimulating, nurturing environment that builds a solid foundation should be available to every Vermont child.**